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## FORESTS: Sierra Pacific announces huge forestry offset agreement (10/01/2009)

Debra Kahn, E&E reporter

*Correction appended.*

Flanked by Gov. Arnold Schwarzenegger (R), timber giant Sierra Pacific Industries announced it would generate 7.5 million tons of carbon dioxide reductions, one week after the state approved forestry offset standards that allow landowners to receive credit for clear-cutting.

At the Governors' Global Climate Summit in Los Angeles, California's largest timber company announced it would sell 7.5 million tons of carbon credits over the next five years to the Eco Products Fund, a joint venture between environmental markets companies Equator LLC and New Forests Inc., for an unspecified amount.

The sale, by far the largest in California to date, is the first for both Sierra Pacific and Equator. It will be verified by offset standards that were approved by the California Air Resources Board last week.

"Last week, California adopted important accounting rules for capturing carbon through improved forestry practices, and this week, Sierra Pacific is using those rules to sequester more than 1 million tons of carbon dioxide," Schwarzenegger said, referring to the per-year total of emissions that will be offset.

The **standards**, created by the Climate Action Reserve (CAR), a group authorized by the California Legislature to oversee the offset sector within the state's own climate change programs, are an updated version of state protocol. They will allow forest owners across the country to verify carbon reductions (*ClimateWire*, Sept. 25).

ARB approved the rules last week over protests from environmental groups that they would allow forest owners to clear-cut areas of their land while still receiving carbon credits. The standards define "baseline" as the basic level of logging allowed by law, thus allowing landowners to earn credits by leaving younger stands intact while felling old-growth trees.

Environmentalists said yesterday that Sierra Pacific's announcement proved the standards were designed to benefit timber companies and were rushed through the public process.

"ARB had a great desire to push it through last week without digging into the details or dealing with controversies or problems around the clear-cutting issue," said Brian Nowicki, a conservation biologist with the Center for Biological Diversity. "Now we're seeing what the rush was, because this deal announced by SPI says it's using the protocols as they were passed last week."

**A precedent for the U.S.?**

"What this looks like is an awful lot like a giant timber company getting paid millions of dollars to do business-as-usual operations, including forest clear-cutting, and all with the blessing of the governor," he added.

A spokesman for ARB denied that the vote was timed to enable Sierra Pacific's announcement at Schwarzenegger's high-profile summit. "I think that's a lot of innuendo," said Stanley Young. "There were a number of projects in the works."

The standards could form a template for adoption by the Western Climate Initiative, a seven-state, four-province group working on a cap-and-trade system. The federal government might also follow California's lead on offset standards, as it has for vehicular tailpipe emissions regulations.

Authors of the standard said the timing reflected the industry's eagerness to register projects. "I can't comment whether SPI had an agreement last week or not," said Michelle Passero, senior climate policy adviser with the Nature Conservancy, which worked closely with CAR on the standards.

"There are a lot of landowners or investors who have been waiting for the protocols to be finished," Passero said. "Since they're being updated, they're kind of holding back; there's an opportunity here that buyers and sellers are waiting for. California's really leading, and a lot of people are waiting for these rules to be in place so they can actually have transactions."

***Correction:*** Sierra Pacific Industries would sell 7.5 million tons of carbon credits over the next five years to the Eco Products Fund. This story was corrected at 5:55 a.m. EDT.